

02-277

**From:** William McNary  
**To:** Mike Powell, Kevin Martin, Kathleen Abernathy, Michael Copps, Commissioner Adelstein  
**Date:** Thu. Feb 13, 2003 4:16 PM  
**Subject:** Response on UNE-P

February 13, 2003

Chairman Michael K. Powell  
Commissioners Abernathy, Adelstein, Copps. and Martin  
Federal Communications Commission  
445 12th Street SW  
Washington, DC 20554

Dear Chairman Powell and Commissioners Abernathy, Adelstein, Copps and Martin:

Almost seven years after Congress passed the groundbreaking Telecommunication Act, the promise of real local phone competition is finally starting to become a reality for consumers in Illinois.

According to the most recent data released by your agency, new market entrants provide service to more than 17 percent of local telephone lines in Illinois, up from five percent in December 1999. As a result, tens of thousands of Illinois residents are now benefiting from greater choice and better pricing in local phone service. SBC recently lowered and simplified its local rates in Illinois, in response to increased competition.

However, just as competition begins to take hold, we understand that the Commission is considering a proposal that would significantly scale back or even eliminate the very regulations - known as Unbundled Network Element Platform, or UNE-P - that have played a critical role in promoting the recent surge in local phone competition.

Were the Commission to initiate such a major reversal of policy, all the progress that has been made in Illinois to bring real local phone competition to residential markets would be reversed. Once again, consumers would be stuck with little or no choice, and the savings and service improvements that accompany increased competition would quickly evaporate.

Rather than adopting policies that would only serve to undermine telecom competition, we urge the Commission to demonstrate its commitment to the interests of consumers, and the future of competition, by reaffirming your support for UNE-P.

Indeed, according to a report issued recently by the National Association of State Consumer Advocates, the continued existence of UNE-P is vital to the future of local competition in local markets across the country.

The report found that, in many markets, the vast majority of residential and small business consumers who have switched their local phone service to a new competitor are served by market entrants who rely on the UNE-P system. In Texas, for example, competitors that depend on UNE-P provide service to 77 percent of switched customers. Without the current UNE-P structure, the report concludes, "it is unlikely that even the limited amount of residential competition that exists today could survive."

It is also critical that the Commission preserve the position of state regulators in maintaining and promoting competition in our telecom markets. State utility regulators like the Illinois Commerce Commission have played a vital part in opening local telephone markets across the country up to competition, and we believe that they are best placed to make decisions that impact local markets

For local phone competition to continue to develop and flourish, state authorities must continued to have the flexibility to carry out their Congressionally mandated role of keeping local telephone markets open,

and setting fair UNE-P prices.

Moreover, the Commission's preliminary decision to treat broadband service as an "information service" is flawed. Without open, nondiscriminatory access to broadband networks, consumers will not realize the full potential of the Internet. Recent FCC decisions on broadband access policy threaten to inhibit innovation and consumer choice in the high-speed Internet marketplace.

The Federal Communications Commission has both an obligation and a responsibility to protect the public interest, and promote the interests of consumers. If the FCC opts to abandon the procompetition UNE-P and broadband framework established by the Telecom Act, just as it begins to deliver real savings and benefits to ordinary consumers, it will have failed on both counts.

We thank you for your consideration of these important issues

Sincerely,

Citizen Action Illinois  
Coalition for Consumer Rights  
Project NOW- Rock Island  
Protestants for the Common Good  
Work, Welfare and Families

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